

EXHIBIT B

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September 22, 2020

VIA EMAIL

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Re: September 18, 2020 Meet and Confer: Commonwealth Assets & Cash Rule 2004 Requests

Counsel:

I write on behalf of Ambac Assurance Corporation ("Ambac") to memorialize and follow-up on our telephonic meet-and-confer on September 18, 2020 (the "September 18 Meet and Confer") concerning *Ambac Assurance Corporation's Motion for Entry of an Order Authorizing Discovery Under Bankruptcy Rule 2004 Concerning Commonwealth Assets* [ECF No. 9022] (the "Assets Rule 2004 Motion") and *Ambac Assurance Corporation's Motion for Entry of an Order Authorizing Discovery Under Bankruptcy Rule 2004 Concerning Commonwealth Cash Restriction Analysis* [ECF No. 9023] (the "Cash Rule 2004 Motion") and, collectively with the Assets Rule 2004 Motion, the "Rule 2004 Motions").

During the September 18 Meet and Confer, the Parties¹ discussed the items outstanding from the August 28 Meet and Confer and the September 1 Meet and Confer, follow-up items identified in Ambac's letter to the Government² dated September 10, 2020 (the "September 10 Letter"), Ambac's Requests for Admission dated August 4, 2020, the Government's Responses and Objections to the Requests for Admission³ dated September 3, 2020, Ambac's Interrogatories

¹ Ambac and the Government are collectively referred to as the "Parties." Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the *Joint Status Report of Movant Ambac Assurance Corporation and Respondents the Financial Oversight and Management Board for Puerto Rico, as Representative of the Commonwealth of Puerto Rico, and the Puerto Rico Fiscal Agency and Financial Advisory Authority with Respect to the Rule 2004 Motions* [ECF No. 14150].

² AAFAF and the Board are referred to collectively as the "Government."

³ The "Government's Responses and Objections to the Requests for Admission" refers, collectively, to the *Responses and Objections of the Financial Oversight and Management Board for Puerto Rico to Ambac Assurance Corporation's First Set of Requests for Admission Relating to Cash Rule 2004 Discovery* (Sept.

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dated August 4, 2020, and the Government's Responses and Objections to the Interrogatories⁴ dated September 16 and 17, 2020. Each item of discussion is addressed below.

Assets Rule 2004 Motion

During the September 18 Meet and Confer, AAFAF advised that its investigations into all outstanding issues related to Ambac's Prioritized Assets Requests remain ongoing and that it does not currently have an update on any of those issues but will provide Ambac an update in writing in the future.

Additionally, Ambac noted that the *Status Report of the Puerto Rico Fiscal Agency and Financial Advisory Authority Regarding the Government of Puerto Rico's Recent Activities in Response to the Ongoing COVID-19 Pandemic* [ECF No. 14031] discussed an executive order pursuant to which a phased return of Commonwealth employees to their physical offices was provided for, *id.* ¶ 8, and requested an update regarding relevant Commonwealth employees' access to in-office files. AAFAF agreed to confer internally regarding when in-office reviews of potentially responsive documents are likely to commence and provide Ambac an update.

Cash Rule 2004 Motion

(1) Category Nos. 1 and 2: Presentation and Investigation Documents

- *All documents relied upon in connection with the 'Summary of Cash Restriction Analysis' presentation, dated October 2, 2019 and the 'Bank Account Analysis: Status Update – June 30, 2019 Balances' presentation, dated as of October 2, 2019, including documents sufficient to identify the processes and assumptions underlying the Cash Restriction Analysis and any iterative changes in the analysis over time.*
- *All documents relied upon in connection with Duff & Phelps' and/or Ernst & Young's investigation into the cash at government and fiscal plan entities, certain other Title III debtors, and UPR, including but not limited to instructions provided to Duff & Phelps and/or Ernst & Young regarding categorization and restrictions.*

“Master Database” / Intermediate Documents / Underlying Calculations. During the September 18 Meet and Confer, the Board confirmed that the “account tracker” it produced in

3, 2020) (the “Board's Responses and Objections to the Requests for Admission”) and the *Responses and Objections of the Puerto Rico Fiscal Agency and Financial Advisory Authority to Ambac Assurance Corporation's First Set of Requests for Admission Relating to Cash Rule 2004 Discovery* (Sept. 3, 2020) (“AAFAF's Responses and Objections to the Requests for Admission”).

⁴ The “Government's Responses and Objections to the Interrogatories” refers, collectively, to the *Responses and Objections of the Financial Oversight and Management Board for Puerto Rico, as Title III Representative of the Commonwealth, to Ambac Assurance Corporation's First Set of Interrogatories Relating to Rule 2004 Discovery on Cash* (Sept. 16, 2020) (the “Board's Responses and Objections to the Interrogatories”) and the *Responses and Objections of the Puerto Rico Fiscal Agency and Financial Advisory Authority to Ambac Assurance Corporation's First Set of Interrogatories Relating to Rule 2004 Discovery on Cash* (Sept. 17, 2020) (“AAFAF's Responses and Objections to the Interrogatories”).

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response to Ambac's request for a "master database" for Appendix J to the Amended Disclosure Statement⁵ relates to the October 2, 2019 presentations rather than Appendix J. In response to a request from Ambac, the Board advised that it will investigate whether an "account tracker" related to Appendix J is available and, if so, whether the Board is willing to produce it.

Process Documents. During the September 18 Meet and Confer, Ambac requested an update regarding the status of the Board's investigations regarding communication and non-communication process documents. The Board advised that it will provide a written response regarding the communication process documents as soon as practicable. The Board further advised that its investigation for non-communication process documents remains ongoing.

Engagement Letters. During the September 18 Meet and Confer, Ambac advised that it reviewed the Board's website for engagement letters related to Ernst & Young but was unable to confirm whether the engagement letters the Board identified relate to services Ernst & Young provided to the Board in connection with its cash restriction analyses. In response, the Board reiterated that it would produce the requested engagement letters in short order.

Privilege Log. On September 1, 2020, the Board advised that it would produce a categorical privilege log of documents withheld from its previous productions by the end of September. During the September 18 Meet and Confer, the Board advised that it remains on track to do so.

Inventory of Central Government's Bank Accounts. During the September 18 Meet and Confer, AAFAF advised that it continues to investigate whether the "Inventory of Central Government's Bank Accounts" referenced in the Amended Disclosure Statement is in its possession.

(2) Category No. 3: Commonwealth's Necessary Operating Expenses

- *All documents related to the assessment of the Commonwealth's necessary operating expenses, including any analyses of whether unrestricted cash exceeds necessary operating expenses.*

Requests for Admission and Interrogatories. During the September 18 Meet and Confer, Ambac advised that its review of the Government's Responses and Objections to the Interrogatories remains ongoing but inquired as to whether the Government withheld any information based on its general or specific objections. Ambac also noted that the only objection made by the Government that appeared to serve as the basis upon which relevant information was withheld was the Government's general objection that the Interrogatories seek documents and information from July 1, 2014 to the present.

In response, AAFAF advised that it is not presently aware of any responsive information that was withheld on the basis of AAFAF's Responses and Objections to the Interrogatories but confirmed that it did not look for potentially responsive information that predates July 1, 2014.

⁵ "Amended Disclosure Statement" refers to *Disclosure Statement for the Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [ECF No. 11947].

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The Board stated that its objections to the Interrogatories speak for themselves and requested that Ambac clarify the purpose of its inquiry. Ambac explained that it is seeking to understand whether any responsive information was withheld by the Board based on its objections and that the Parties may be able to avoid the need to discuss each objection in detail if the Board is not withholding responsive information on the basis of its objections (as AAFAF has already indicated). Ambac asked that the Board consider Ambac's inquiry further, so that the Parties can proceed efficiently to resolve the remaining issues.

* * *

Please advise as to whether the Government is available later this week for a meet-and-confer to further discuss these issues.

Very truly yours,

/s/ John J. Hughes, III

John J. Hughes, III

cc: Grant Mainland
Atara Miller
Margaret A. Dale
Elizabeth L. McKeen
Martin A. Sosland
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